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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 000971

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SUBJECT: GOVERNMENT COMMITS TO DEVELOPING NIGER DELTA USING

OIL INDUSTRY'S MONEY

REF: ABUJA 771

Classified By: Political Counselor Russell Hanks for reasons 1.4 (b) and (d)

- 11. (C) SUMMARY: In the second of what appears to be a series of high profile meetings aimed at creating momentum to address underdevelopment in the Niger Delta, the Nigerian government committed itself to a plan to create 20,000 government jobs and invest 20 trillion Naira of oil industry money to jump start the process. The nine-point plan was announced by Obasanjo in a meeting attended by government officials but largely boycotted by Niger delta indigenes. Leaders of various Ijaw movements complained that the President was not serious and that the proposals did not impact on the area of greatest unrest in southern Delta state. While the fanfare surrounding this Council has played out in the press, most observers continue to question its potential effectiveness and the President's sincerity given the exclusion of many of the primary grievants from the process. END SUMMARY.
- 12. (U) President Obasanjo, the chair of the recently-created Council of Socio-Economic Development of the Coastal States of the Niger Delta (known by the unwieldy acronym CSEDCSND), unveiled a nine point development plan which he said would create jobs, development and reverse the negative trends in the region. Speaking at the second of what appears to be a series of high profile meetings, Obasanjo said the plan, which would primarily be financed by 20 trillion Naira from the "oil industry" (private oil companies and the Nigerian National Petroleum Corporation (NNPC)), would focus on nine themes: creating employment, transportation, education, health, telecommunication, environment, agriculture, power generation and water resource development.
- 13. (U) The announced plan would create some 20,000 government jobs for people in the region by establishing 1,000 new positions in the military, 10,000 with the police, 1,000 in the Nigerian National Petroleum Corporation (NNPC), and 7,300 teachers. The jobs would be spread out among residents of the Niger Delta States, with each state receiving a specific quota.
- ¶4. (U) The meeting, which was broadcast live over state controlled radio and television, was primarily a government affair and brought together the governors of the various Niger Delta states, ministers, civil servants, the managing director of the Shell-Nigeria Joint Venture Company, and a handful of traditional leaders. Conspicuously absent were high ranking executives from other major oil companies, most well-known civil society groups from the region, prominent Ijaw leaders, NGOs and representatives from the group

responsible for violence and kidnapping, the Movement for the Emancipation of the Niger Delta (MEND). Most of these individuals and groups boycotted the meeting and said the initiative itself was not credible.

- ¶5. (U) The government unveiled a number of high profile proposals, including dredging of the Niger River to facilitate improved transportation and trade, a rural electrification initiative that would benefit 396 communities, the upgrading of the Petroleum Training Institute in Warri to a degree-granting institution, the creation of a Federal Polytechnic in Bayelsa State, the completion of a syringe factory in Rivers State, extending cell phone coverage to isolated communities, the promise of renewed efforts to rectify water pollution problems in the region, and the establishment of 12 mega gas stations in outlying areas. Other proposals included funding 6,000 student scholarships and the training of 20,000 welders.
- 16. (C) One of the people suggested as a mediator by MEND is Oronto Douglas, a former state government official and environmental attorney. He has chosen to take a back seat on the CSEDCSND established by President Obasanjo. "The militants asked me to mediate, not participate in such a conference" he told PolCouns. He said that he had met individually with the President, PDP godfather Tony Anenih, Rivers State Governor Peter Odili and Chief of Defense Staff Ogumudia. Douglas claimed that none of them were interested in talking to the militants or any other group in the region to resolved differences and agree on a way forward. Douglas said he suggested to each prior to the President's initiative was a small working group of no more than 35 participants from all sides including federal, state and local government officials, NGOs, a "representative" group of Ijaws and the

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US/UK Missions as observers.

- 17. (C) Another prominent Ijaw spokesman, Dr. Pere Ajuwa, also commented negatively on the sincerity of the GON. He said that Ijaws across the social spectrum remain disillusioned with President Obasanjo and with Shell Oil specifically. He pointed to the estimated 1,000 deaths in the region and about 600 cases against Shell that remain unresolved as "poisoning the atmosphere." He claimed that the President's initiative was like "pouring sand in the wound," and would likely lead to more unrest in the region. Ajuwa suggested that the only way to address the problem was to "renegotiate" the current joint venture model. A member of the Delta State government team that attended the meeting also complained about the attitude of Obasanjo. He also suggested that one thing to help Delta State specifically would be to move the capital from Asaba, a relatively isolated community in terms of Delta State, to the larger and more centrally located Warri. "This would have an immediate effect," he claimed.
- Comment: While the establishment of the CSEDCSND could, in theory, serve as vehicle to raise the level of trust between the Nigerian government and residents of the Niger Delta, it also highlights the reasons similar initiatives have failed. The primary reasons for these previous failures included a lack of consultations with the grievants, the preference for show over substance and a lack of follow through. While the Kaiama Declaration of 1999 and the Ogumudia report of 2002 have been ignored, the situation has deteriorated. It is too early to tell if ultimately this initiative will run into the same problems as its predecessors, but it is clear that much more needs to be done avoid the pitfalls of the past. The first two meetings, boycotted by significant constituencies from the region, did little to build trust between the people of the Niger Delta and the GON. The President's 9-point plan will be critically scrutinized for every flaw.